**DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

**Amendment of Section 9525, Chapter 2.5,**
**Division 4, Title 9, California Code of Regulations**

**COUNTY SACPA ALLOCATIONS**

**Initial Statement of Reasons**

## STATEMENT OF NECESSITY

The Department of Alcohol and Drug Programs (ADP) is proposing an emergency regulatory action to change the formula used to calculate the allocation of funds to counties for implementing the Substance Abuse and Crime Prevention Act of 2000 (SACPA). This change will result in a fairer and more equitable allocation of funds. It places more emphasis on demonstrated SACPA client treatment caseloads, yet avoids drastic annual changes in funding that might otherwise disrupt SACPA programs.

For FY 2001-02, 2002-03, and 2003-04, ADP based SACPA allocations on a base allocation (50%), county drug arrest data (25%), and total county drug treatment caseload (25%).

For FY 2004-05 and following years, ADP proposes to change the allocation formula to a base allocation (50%), county drug arrest data (10%), and county SACPA client treatment caseload data (40%). The portion of each county's SACPA allocation based on drug arrests is reduced and the portion based on SACPA treatment caseload is increased in order to encourage counties to place more SACPA clients in treatment.

When SACPA was first adopted in 2000, ADP based its methodology for distributing SACPA funds on total county drug treatment caseload data (i.e., the number of individuals receiving drug treatment in each county) because SACPA treatment caseload data did not yet exist.

A more recent review of county SACPA plans and expenditures shows that some counties expend SACPA funds before the end of the fiscal year, while other counties carry over funds from previous fiscal years.

Discussions between ADP and the SACPA Statewide Advisory Group indicated that this disparity was caused in part by the fact that the allocation was based on total county drug treatment caseload data, rather than on more specific county SACPA treatment caseload data.

As a result, stakeholders asked ADP to develop an allocation formula that would more accurately respond to a county's treatment caseload needs. The allocation formula proposed in this regulation was developed through collaboration between ADP, the SACPA Statewide Advisory Group, and the County Alcohol and Drug Program Administrators Association of California (CADPAAC).

This change is needed to distribute SACPA funds to counties in proportion to their actual SACPA program needs. Without this amendment, some counties will not be able to provide SACPA services in a manner that enhances program success.

While the computations contained in the regulation may appear complicated, such complexity is needed to avoid large percentage increases or decreases in the allocation amounts counties would receive, thereby avoiding disruption to county SACPA programs.

Specific changes are described in the annotated text of the proposed regulation, which is hereby incorporated by reference. The annotated text of the proposed regulation is attached to this initial statement of reasons.

**FISCAL IMPACT STATEMENTS:**

Anticipated costs to federal government: ADP does not anticipate any costs to federal government as the result of this regulatory action, because this regulation does not impact any federally funded State agency or program.

Anticipated costs to State General Fund: ADP does not anticipate any costs to the State General Fund, because this regulatory action does not expand the scope of the implementing statute.

Anticipated costs to county or local government: The proposed formula would result in lower allocations than the current formula for 29 counties, and higher allocations for 29 counties. The range of loss for counties would be 0.20% to 16.8%. The range of gain for counties would be +0.25% to +23.3%. ADP anticipates a minimal impact on counties statewide because the allocation formula has been designed to avoid drastic annual changes in funding that might disrupt SACPA programs.

Anticipated impact on business: ADP does not anticipate an impact on businesses statewide, because statewide total funds available to counties for purchasing treatment services from providers will not be impacted. ADP does not anticipate that this regulatory action will affect the ability of California businesses to compete with businesses in other states. ADP does not anticipate that this regulatory action will affect the creation or elimination of jobs, the creation of new businesses, the elimination of existing businesses, or the expansion of businesses currently doing business within the State of California.

Impact on Small Businesses: ADP does not anticipate an impact on businesses statewide, because statewide total funds available to counties for purchasing treatment services from providers will not be impacted.

Cost Impact on Representative Private Persons or Businesses: None. ADP is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Impact on Housing Costs: ADP does not anticipate that this regulatory action will impact housing costs in any way.

**LOCAL MANDATE DETERMINATION:**

ADP has determined that this proposed regulatory action will not impose any new mandates on school districts or other local governmental agencies or any mandates which must be reimbursed by the State pursuant to Part 7 (commencing with Section 17500), Division 4 of the Government Code.

**CONSIDERATION OF ALTERNATIVES**:

Pursuant to Section 11346.5(a)(12) of the Government Code, ADP must determine that no alternative would be more effective in carrying out the purpose for which this regulatory action was taken. ADP must also determine that no alternative would be as effective and less burdensome to affected private persons than the regulatory action taken. ADP will consider any alternatives presented during the public comment periods.